

**AMENDED AND RESTATED  
CODE OF BY-LAWS OF THE  
HOMEOWNERS ASSOCIATION OF CRYSTAL SPRINGS, INC.**

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## ARTICLE 1

### DEFINITIONS

#### **Section 1.01 – Reference to the Articles of Incorporation and the Restrictions**

The definitions and terms as defined and used in the Articles of Incorporation (“Articles”) and the Restrictions (as that term is defined in the Articles of Incorporation) for the Crystal Springs Subdivision shall have the same meaning in these By-Laws and reference is specifically made to Article 9 of the Articles containing definitions of terms.

#### **Section 1.02 – Section Titles and Headings**

The section titles and headings herein are inserted as a matter of convenience only, and do not define, limit, or describe the scope of these By-Laws or the intent of the provisions hereof.

## ARTICLE 2

### MEETINGS OF MEMBERS

#### **Section 2.01 – Place of Meetings**

All meetings of the Members shall be held at such place in Clark County, Indiana as may be designated by the Major Board of Directors and specified in the respective notices or waivers of notice thereof.

#### **Section 2.02 – Annual Meeting**

An annual meeting of the Members shall be held between March 1 and May 31 of each year.

#### **Section 2.03 – Special Meetings**

Special meetings of the Members may be called by the President, by a majority of either the Major Board of Directors or the Minor Board of Directors, or by written petition signed by not less than one-fifth (1/5) of all the Members.

Upon a request in writing delivered to the President or the Secretary by a Person or Persons entitled to call a special meeting, it shall be the duty of the President or the Secretary to give notice to the Members of such meeting, and, if such request is refused, the Person or Persons making such request may call a meeting by giving notice in the manner hereinafter provided.

Business transacted at all special meetings shall be limited to the subjects stated in the call or waiver of notice, and matters germane thereto.

#### **Section 2.04 – Notice of Meetings**

A written or printed notice stating the place, day and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which such meeting is called, shall be delivered or mailed by the Secretary or by the officer of Person calling the meeting to each Member at such address as appears on the records of the Corporation at least fifteen (15) days but not more than sixty (60) days before the date of the meeting. Notice of any meeting may be waived in writing filed with the Secretary by any Member if the waiver sets forth in reasonable detail the purpose or purposes for which the meeting is called and the time and place of the meeting. Attendance at any meeting shall constitute a waiver of notice of that meeting.

#### **Section 2.05 – Voting Lists**

After fixing a record date for a notice of a meeting, the Secretary shall prepare a complete list of Members entitled to notice of a meeting of Members, containing the address and number of votes each Member is entitled to cast at the meeting. The Secretary shall prepare on a current basis through the time of the membership meeting a list of

Members, if any, who are entitled to vote at the meeting, but are not entitled to notice of the meeting. Such lists may be inspected by any Member, for any proper purpose, at any reasonable time.

#### **Section 2.06 – Quorum**

At the first meeting called of the Members, thirty percent (30%) of the Members entitled to vote at such meeting, present in person or by proxy executed in writing, shall constitute a quorum for the transaction of business, except as otherwise provided by law. In the absence of a quorum, the Members present in person or by proxy, by a majority vote and without notice, may adjourn the meeting from time to time until a quorum is present. Following any such adjournment, and publication of the notice of the date of time of the when the adjourned meeting will be reconvened, twenty percent (20%) of the Members entitled to vote at such reconvened meeting, present in person or by proxy executed in writing, shall constitute a quorum for the transaction of business at said reconvened meeting. At any such adjourned meeting, any business may be transacted for which notice was originally given. The Members present at a duly organized meeting may continue to do business until adjournment notwithstanding the withdrawal of enough Members to leave less than a quorum.

#### **Section 2.07 – Voting Rights**

The voting rights of the Members shall be as prescribed in the Articles. No Member shall have the right to vote upon any matter involving the Corporation during any period in which any assessment or charge against the Member or the Lot owned by such Member remains unpaid for a period in excess of thirty (30) days. In any election of Directors, no Member shall have the right to multiply the number of votes to which such Member may be entitled by the number of Directors to be elected. A majority (i.e fifty percent (50%) of the votes cast, plus one (1)) of the votes cast at a meeting of the Members, duly called and at which a quorum is present, shall be sufficient to take or authorize action upon any matter that may properly come before the meeting unless more than a majority of the votes cast is required by law, the Restrictions, the Articles or these By-Laws.

#### **Section 2.08 – Multiple Owner**

Where the Owner of a Lot constitutes more than one Person, or is a partnership, there shall be only one voting representative entitled to cast the vote allocated to that Lot. Those persons constituting such Owner or the partners shall determine among themselves who shall be the voting representative for such Lot. In the event agreement is not reached, the vote attributable to such Lot shall not be cast.

#### **Section 2.09 – Voting by Association or Trust**

Where an Association or trust is an Owner or is otherwise entitled to vote, the trustee may cast the vote on behalf of the trust and the agent or other representative of the Association duly empowered by the board of directors of such Association shall cast the vote to which the Association is entitled.

#### **Section 2.10 – Proxies**

A Member may vote either in person or by his duly authorized and designated attorney-in-fact. Where voting is by proxy, the Member shall designate his attorney-in-fact in writing, delivered to an officer of the Corporation prior to the commencement of the meeting. No proxy shall be valid after eleven (11) months from the date of its execution unless a longer time is expressly provided in the proxy.

#### **Section 2.11 – Meeting by Telephone, etc.**

Any of all of the Members may participate in a meeting by or through the use of any means of communication by which all Members participating may simultaneously hear each other during the meeting. Participation in a meeting using these means constitutes presence in person at the meeting.

## ARTICLE 3

### BOARD OF DIRECTORS

#### **Section 3.01 – Functions**

There shall be two (2) separate board of directors for the Corporation. The Minor Board of Directors shall govern over all matters pertaining to the maintenance, upkeep, ownership, possession, and any other general issues which may arise regarding the Recreational Center located in the Crystal Springs Subdivision. The Major Board of Directors shall govern over all other matters.

#### **Section 3.02 – Eligibility**

No person shall be a Director who is not either a Member or the legal spouse/partner of such Member, or a designee of Developer. A Director may serve simultaneously on both the Minor Board of Directors and the Major Board of Directors. Additionally, a Member must 1) reside in Crystal Springs, 2) be a Member in good standing, 3) have never been convicted of a felony, and 4) have never been convicted of any financial crime. Prior removal from office does not preclude a person from seeking office and serving as Director again.

#### **Section 3.03 – Number**

Prior to the Applicable Date, the number of Directors comprising the Major Board of Directors shall be three (3), which number may from time to time be increased by resolution adopted by not less than a majority of the Major Board of Directors. Prior to the Applicable Date, the number of Directors comprising the Minor Board of Directors shall be three (3), which number may from time to time be increased by resolution adopted by not less than a majority of the Minor Board of Directors. In no event shall the number of Directors on either the Minor Board of Directors or the Major Board of Directors be less than (3) not more than seven (7) and no reduction in the number of Directors shall have the effect of removing a Director from office prior to the expiration of his term. In the event the number of Directors is increased prior to the Applicable Date, the additional Directors shall be by a vote of the Members according to a procedure established by that particular Board of Directors by resolution.

Subsequent to the Applicable Date, the number of Directors comprising the Board of Directors for either Board may from time to time be increased by resolution adopted by not less than a majority of the Board of Directors; provided, however, that in no event shall the number of Directors on the Board following the Applicable Date be less than (3) and no reduction in the number of Directors shall, by itself, have the effect of removing a Director from office prior to the expiration of his or her term.

#### **Section 3.04 – Appointment**

The members of the Major Board of Directors as of the date of these Amended and Restated By-laws are Damian T. Cristiani, David Schuler and Michael Schuler, as same were appointed by Developer. The members of the Minor Board of Directors are likewise Damian T. Cristiani, David Schuler and Michael Schuler, as same were appointed by Developer.

#### **Section 3.05 – Nomination**

If desired, subsequent to the Applicable Date, the Major Board of Directors shall by resolution establish such procedures as it deems appropriate governing the nomination of Members for election to the Major Board of Directors. If desired, the Minor Board of Directors shall by resolution establish such procedures as it deems appropriate governing the nomination of Members for election to the Minor Board of Directors.

#### **Section 3.06 – Election**

Subsequent to the Applicable Date, the Directors of either shall be elected at an annual "election day" to be held at the Recreational Center. Members of the Major Board of Directors will oversee the voting and will provide paper ballots which are sequenced and recorded by Lot. So as to provide continuity to the management of the

Recreation Center, approximately half of the Minor Board of Directors will be up for re-/election annually, alternating between four and three eligible spots each election, with four new members being elected in the first year, three in the second year, four in the third year, three in the fourth year, etc. The Major Board of Directors and/or the Minor Board of Directors may, by resolution, establish such election procedures for its own specific Board of Directors as it deems appropriate. Those persons receiving the highest number of votes shall be elected. The Major Board of Directors shall be elected by both Class "B" and Class "A" Members of the Corporation. Only Class "B" Members shall elect Directors for the Minor Board of Directors.

**Section 3.07 – Term**

Each Director shall serve for a term of two (2) years or until his successor is elected and qualified or until he has resigned or been removed. Incumbent Directors shall be eligible for re-election and the number of years a person may serve as a Director is not limited.

**Section 3.08 – Resignation**

Any Director may resign at any time by giving written notice of such resignation to the President or the Secretary of the Corporation. Such resignation shall take effect when the notice is effective unless the notice specifies a later effective date. The acceptance of a resignation shall not be necessary to make it effective.

**Section 3.09 – Removal**

Subsequent to the Applicable Date, any Director may be removed, with or without cause, in accordance with the provisions of the Act. Prior to the Applicable Date, any Director may be removed by Developer for any reason.

**Section 3.10 – Vacancies**

Any vacancy occurring on either Board of Directors caused by death, resignation, removal or otherwise, shall (a) prior to the Applicable Date be filled with an individual appointed by the Developer and (b) subsequent to the Applicable Date be filled until the next annual election occurs for the position being vacated by an individual through a vote of a majority of the remaining members of that particular Board of Directors. If, subsequent to the Applicable Date, a majority of the remaining members of that particular Board of Directors cannot agree on an individual to fill any such vacancy, a special meeting of the Members shall be called to elect an individual to fill such vacancy. A Director elected to fill a vacancy shall hold office until the expiration of the term of the Director causing the vacancy or until his successor has been elected and qualified.

In the event the Members' vote to fill the vacancy ends with a tally of fewer than a majority of the votes cast at a meeting of the Members, duly called and at which a quorum is present, the remaining members of that particular Board of Directors will start the process over by nominating a different candidate.

**Section 3.11 – Meetings**

Each Board of Directors shall meet each year immediately after the annual meeting of the Members at the Recreational Center or other mutually agreed upon place, for the purpose of organization, election of officers, scheduling the annual meeting of the Members, and consideration of any other business which may properly be brought before the meeting. No notice shall be necessary for the hold of this annual meeting. If such meeting is not held as above provided, the election of officers may be held at any subsequent meeting of that particular Board of Directors specifically called in the manner provided in **Section 3.12**. Each Board of Directors may provide by resolution the time and the place, with the State of Indiana, for the holding of additional regular meetings of that particular Board of Directors without other notice than such resolution. Each Board shall arrange to meet once each quarter unless the particular Board agrees such frequency is not necessary to complete that Board's business for a given quarter. Special meetings of either Board of Directors may be called by the President of that particular Board of Directors and shall be called by order thereof upon the written request of not less than two (2) Directors serving on that particular Board of Directors, which request shall set forth the business to be conducted at such meeting.

**Section 3.12 – Notice of Meetings**

Notice of all meetings of either Board of Directors, except as herein otherwise provided, shall be given by mailing, telephoning, emailing, or delivering personally the same at least two (2) days before the meeting to the usual business or residence address of the Director as shown upon the records of the Corporation. Notice of any meeting of that particular Board of Directors may be waived in a document filed with the Secretary of that particular Board of Directors by any Director serving on that Board of Directors if the waiver sets forth in reasonable detail the purpose of purposes for which the meeting is called and the time and place of the meeting. Attendance at any meeting of the Board of Directors shall constitute a waiver of notice of that meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any meeting of the Board of Directors may adjourn from time to time to reconvene at the same place or some other place. No notice need be given of any such adjourned meeting.

### **Section 3.13 – Quorum**

A quorum of the Minor Board of Directors at any annual or special meeting of the Minor Board of Directors and a quorum of the Major Board of Directors at any annual or special meeting of the Major Board of Directors shall be a majority of the duly qualified members of that particular Board of Directors then occupying office, but in no event less than two (2) Directors, except that, subsequent to the Applicable Date, in filling vacancies a majority of the remaining Directors (but not less than two (2) Directors) shall constitute a quorum. The act of a majority of the Directors present at a meeting at which quorum is present shall be the act of the Board of Directors unless otherwise provided by the Act, the Restrictions, the Articles, or the By-Laws. In the absence of a quorum, the Directors present may, by majority vote, adjourn the meeting from time to time until a quorum is present. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting for which notice was originally given.

### **Section 3.14 – Action Without a Meeting**

Any action required or permitted to be taken at any meeting of either the Major Board of Directors or the Minor Board of Directors, or any committee thereof may be taken without a meeting if the action is taken by all members of that particular Board of Directors or such committee. The action must be evidenced by at least one (1) written consent describing the action taken signed by each member of that particular Board of Directors or of such committee, and included in the minutes or filed with the corporate records reflecting the action taken.

### **Section 3.15 – Meeting by Telephone, etc.**

Any or all of the members of either the Major Board of Directors or the Minor Board of Directors, or of any committee thereof may participate in a meeting by or through the use of any means of communication by which all person participating may simultaneously hear each other during the meeting. Participation in a meeting using these means constitutes presence in person at a meeting.

### **Section 3.16 – Committees**

Either the Major Board of Directors or the Minor Board of Directors, by resolution adopted by a majority of that particular Board of Directors, may designate one or more committees, each of which shall consist of two (2) or more Directors, which committees, to the extent provided in said resolution, shall have and exercise the authority of that particular Board of Directors in the management of the Corporation. Other committees not having and exercising the authority of either the Major Board of Directors or the Minor Board of Directors in the management of the Corporation may be designated by a resolution adopted by a majority of the Directors of that particular Board of Directors present at a meeting at which a quorum is present. The designation of any such committee and the delegation thereto of authority shall not operate to relieve that particular Board of Directors, or any individual Director, of any responsibility imposed upon it or him by law.

### **Section 3.17 – Powers of the Major Board of Directors**

Subject to the provisions of the **Section 3.18**, all of the corporate powers, except as otherwise provided herein or by law, shall be vested in, and shall be exercised by, the Major Board of Directors. Said powers shall include, but not be limited to:

- (a) Subject to the rights of Developer and the Members set forth in the Restrictions, the power to adopt, publish, and enforce rules and regulations governing the use of the Common Areas ;
- (b) The power to lease or purchase for the benefit of the Members such property, equipment, materials, labor and services as may be necessary in the judgment of the Major Board of Directors;
- (c) The power to exercise the powers and perform the duties of the Corporation granted, imposed, authorized or permitted by the Restrictions or any supplemental document or writing to the Restrictions (“Supplemental Restrictions”), the exercise of which is not reserved or committed to the membership by the Articles or By-Laws;
- (d) The power to make and collect Assessments and charges, establish and collect membership dues, and, subject to the rights of Developer and the Members set forth in the Restrictions, levy and collect fines for the violation of rules and regulations governing the use of the Common Areas; and
- (e) The power to employ legal counsel, architects, contractors, accountants, consultants, managers, independent contractors and others as in the judgment of the Major Board of Directors may be necessary or desirable in connection with the maintenance, repair, replacement, restoration, and operation of the Common Areas, and the business and affairs of the Corporation.

### **Section 3.18 – Powers of the Minor Board of Directors**

All of the corporate powers which are vested in shall be exercised by the Minor Board of Directors, except as otherwise provided herein or by law, shall include, but not be limited to:

- (a) Subject to the rights of Developer and the Members set forth in the Restrictions, the power to adopt, publish, and enforce rules and regulations governing the use of the Recreational Center;
- (b) The power to lease or purchase for the benefit of the Members such property, equipment, materials, labor and services as may be necessary in the judgment of the Minor Board of Directors for the Recreational Center;
- (c) The power to exercise the powers and perform the duties of the Corporation granted, imposed, authorized or permitted by the Restrictions or any supplemental document or writing to the Restrictions (“Supplemental Restrictions”), in regards to the Recreational Center, the exercise of which is not reserved or committed to the membership by the Articles or By-Laws;
- (d) With respect to Class “B” Members, the power to make and collect Assessments and charges, establish and collect membership dues, and, subject to the rights of Developer and the Members set forth in the Restrictions, levy and collect fines for the violation of rules and regulations governing the use of the Recreational Center; and
- (e) The power to employ legal counsel, architects, contractors, accountants, consultants, managers, independent contractors and others as in the judgment of the Minor Board of Directors may be necessary or desirable in connection with the maintenance, repair, replacement, restoration, and operation of the Recreational Center,.

### **Section 3.19 – Duties of the Major Board of Directors**

Except for those duties of the Minor Board of Directors set forth in **Section 3.20**, it shall be the duty of the Major Board of Directors to:

- (a) Upon receipt of title to the Commons Areas, cause the Common Areas to be maintained in good, clean, attractive and sanitary condition, order, and repair;
- (b) Upon receipt of title to the Common Areas, adopt and publish rules and regulations, including fees, if any, governing the use of the Common Areas, and the personal conduct of the Members, their tenants and guests;

- (c) cause to be kept a complete record of all its corporate affairs, making such records available for inspection by any Member or his authorized agent, and present an annual report thereof to the Members;
- (d) supervise all officers, agents and employees of the Corporation and see that their duties are properly performed;
- (e) issue upon demand by any Member a certificate setting forth whether or not any Assessment has been paid and giving evidence thereof for which a reasonable charge may be made;
- (f) designate depositories for the funds of the Corporation, designate those officers, agents and/or employees who shall have authority to withdraw funds from such accounts on behalf of the Corporation, and cause such persons to be bonded, as it may deem appropriate;
- (g) approve the annual budget of the Corporation;
- (h) fix Annual Assessments (hereinafter "Annual Assessments") for Class "A" Members at amounts sufficient to meet the obligations imposed by the Restrictions;
- (i) annually set the date(s) Assessments are due and decide what, if any, fee is to be applied to Assessments which remain unpaid thirty (30) days after they become due;
- (j) send written notice of each Assessment to every Owner subject thereto at least thirty (30) days in advance of the due date of the Assessment or first installment thereof;
- (k) cause the lien against any property for which Assessments are not paid within thirty (30) days after due date to cause an action at law to be brought against the Owner personally obligated to pay the same; the Board may not foreclose on any Owner for any reason.
- (l) procure and maintain adequate insurance to protect the Corporation, its employees and its personal and real properties;
- (m) enter into mortgage agreements and obtain capital debt financing subject to the provisions of the Restrictions;
- (n) appoint such committees as are prescribed in **Section 3.16**;
- (o) faithfully observe and perform each duty imposed on the Corporation by the terms of the Restrictions and exercise such discretion granted to the Major Board of Directors thereunder in the best interests of the Members; and
- (p) exercise their powers and duties in good faith, with a view to the interests of the Corporation.

**Section 3.20 – Duties of the Minor Board of Directors**

Except for those duties of the Major Board of Directors set forth in **Section 3.19**, it shall be the duty of the Minor Board of Directors to:

- (a) Upon receipt of title to the Recreational Center, cause the Recreational Center to be maintained in good, clean, attractive and sanitary condition, order, and repair;
- (b) Upon receipt of title to the Recreational Center, adopt and publish rules and regulations, including fees, if any, governing the use of the Recreational Center, and the personal conduct of the Members, their tenants and guests;
- (c) cause to be kept a complete record of all its corporate affairs, making such records available for inspection by any Class "B" Member or his authorized agent, and present an annual report thereof to the Class "B" Members;



- (d) supervise all officers, agents and employees of the Corporation and see that their duties are properly performed;
- (e) issue upon demand by any Class "B" Member a certificate setting forth whether or not any Assessment has been paid and giving evidence thereof for which a reasonable charge may be made;
- (f) designate depositories for the funds of the Corporation, designate those officers, agents and/or employees who shall have authority to withdraw funds from such accounts on behalf of the Corporation, and cause such persons to be bonded, as it may deem appropriate;
- (g) approve the annual budget for the Recreational Center and Class "B" Members use, maintenance and control of the Recreational Center;
- (h) fix Annual Assessments (hereinafter "Annual Assessments") for Class "B" Members at amounts sufficient to meet the obligations imposed by the Restrictions;
- (i) annually set the date(s) Assessments are due and decide what, if any, fee is to be applied to Assessments which remain unpaid thirty (30) days after they become due;
- (j) send written notice of each Assessment to every Owner subject thereto at least thirty (30) days in advance of the due date of the Assessment or first installment thereof;
- (k) cause the lien against any property for which Assessments are not paid within thirty (30) days after due date to cause an action at law to be brought against the Owner personally obligated to pay the same; the Board may not foreclose on any Owner for any reason.
- (l) procure and maintain adequate insurance to protect the Corporation, its employees and its personal and real properties;
- (m) enter into mortgage agreements and obtain capital debt financing subject to the provisions of the Restrictions;
- (n) appoint such committees as are prescribed in **Section 3.16**;
- (o) faithfully observe and perform each duty imposed on the Corporation by the terms of the Restrictions and exercise such discretion granted to the Minor Board of Directors thereunder in the best interests of the Members; and
- (p) exercise their powers and duties in good faith, with a view to the interests of the Corporation.

**Section 3.21 – Jurisdiction of the Board of Directors**

The Minor Board of Directors shall govern over all matters pertaining to the maintenance, upkeep, ownership, possession, and any other general issues which may arise regarding the Recreational Center located in the Crystal Springs Subdivision. The Major Board of Directors shall govern over all other matters involving the Corporation or Crystal Springs Subdivision (or any section thereof). In the event that a conflict arise regarding which Board of Directors shall govern over a matter, the decision of the Major Board of Directors shall control.

**Section 3.22 – Non-Liability of Directors**

No Director shall be liable to any Person for any error or mistake of judgment exercised in carrying out his duties and responsibilities as a Director, unless (a) the Director has breached or failed to perform the duties of his office in compliance with the Act and (b) the breach or failure to perform constitutes willful misconduct or recklessness. The Members shall indemnify and hold harmless each of the Directors from and against any and all liability to any Person arising out of contracts made by either of the Board of Directors on behalf of the Corporation, unless any

such contract shall have been made in bad faith or is contrary to the provisions of the Act, the Articles or these By-Laws. It is intended that the Directors shall have no personal liability with respect to any contract made by them on behalf of the Members and as their agent. The liability of any Member arising out of any contract made by either of the Board of Directors or out of the aforesaid indemnity in favor of the Directors shall be limited to such percentage of the total liability or obligation thereunder as is equal to a fraction, the numerator of which is the number of Lots owned by him and the denominator of which is the total number of Lots in the Subdivision.

### **Section 3.23 – Indemnity of Officers and Directors**

To the extent not inconsistent with the laws of the State of Indiana, every person (and the heirs, assigns and legal representatives of such person) who is or was a Director of an officer of the Corporation shall be indemnified by the Corporation as provided in the Act. To the extent the assets of the Corporation are insufficient to satisfy its indemnification obligations hereunder, either Board of Directors may levy a Special Assessment in the manner specified in the Restrictions to obtain such funds as may be required to satisfy such obligations.

### **Section 3.24 – Transactions Involving Affiliates**

No contract or other transaction between the Corporation and one or more of its Directors, or between the Corporation and any Person (including the Developer) in which one or more of the Directors are directors, officers, partners, or employees or are pecuniarily or otherwise interested, shall be void or voidable because such Director or Directors are present at the meeting of that particular Board of Directors or any committee thereof which authorizes, approves or ratifies the contract or transaction, or because his or their votes are counted for such purpose if:

- (a) the contract of transaction is fair and reasonable to the Corporation, and
- (b) the fact of the relationship or interest is disclosed or known to either Board of Directors or committee, and that particular Board of Directors or committee authorizes, approves, or ratifies such contract or transaction by a vote or consent sufficient for the purpose without counting the vote or consents of the interested Director(s); or
- (c) the fact of the relationship or interest is disclosed or known to the Members, and they authorize, approve or ratify the contract or transaction by a vote or written consent.

Affiliated or interested Directors may be counted in determining the presence of a quorum of any meeting of that particular Board of Directors or committee thereof which authorizes, approves or ratifies any contract or transaction.

### **Section 3.25 – Insurance**

The Major Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all of the structures located in the Common Areas, whether owned or leased by the Corporation, against loss or damage by fire or other hazards commonly insured against in similar properties in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any insured hazard, and shall also obtain a broad form public liability policy covering all damage or injury caused by the negligence of the Corporation or any of its agents. All such insurance policies shall contain a provision that all Class "A" Members and Class "B" Members shall, in appropriate circumstances, be able to recover damages as claimants under such insurance.

The Minor Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all of the structures located in the Recreational Center and all of the structures associated the Recreational Center, whether owned or leased by the Corporation, against loss or damage by fire or other hazards commonly insured against in similar properties in an amount sufficient to cover the full replacement cost of any repair or reconstruction work in the event of damage or destruction from any insured hazard, and shall also obtain a broad form public liability policy covering all damage or injury caused by the negligence of the Corporation or any of its agents. All such insurance policies shall contain a provision that all Class "B" Members shall, in appropriate

circumstances, be able to recover damages as claimants under such insurance. Premiums for all such insurance shall be included in the Annual Assessment referenced in **Article 6** of these By-Laws and the Restrictions.

**Section 3.26 – Insured Loss, Damage or Destruction**

In the event of loss, damage or destruction by fire or other peril, the appropriate Board of Directors shall (unless otherwise agreed by two-thirds (2/3) of the Directors then serving), upon receipt of the insurance proceeds, contract to rebuild or repair damaged or destroyed portions of the insured property to its condition before such damage. All such insurance proceeds shall be deposited in a bank or other financial institution, the accounts of which are insured by a federal governmental agency, with the provision agreed to by said bank or institution that such funds may be withdrawn only by signatures of a least one-third (1/3) of the Directors of that particular Board of Directors, or by their duly authorized agent. In such event, that particular Board of Directors shall advertise for sealed bids with any licensed contractors, and then may negotiate with any contractor, who may be required to provide a full performance and payment bond for the repair, reconstruction or rebuilding of such destroyed structure or structures. In the event that the insurance proceeds are insufficient to pay all of the costs of repairing and/or rebuilding to the same condition as previously existed, that particular Board of Directors may levy a Special Assessment in the manner specified in the Restrictions and **Article 6** of these By-Laws to make up any deficiency. Excess insurance proceeds, if any, shall become part of the Corporation’s reserve for replacements.

**Section 3.27 – Uninsured Loss, Damage or Destruction**

In the event of loss, damage or destruction to the Property caused by perils not covered by standard insurance described in **Section 2.04(d)** of the Articles, the appropriate Board of Directors may levy a Special Assessment in the manner specified in the Restrictions to make up any deficiency created by such uninsured loss.

**Section 3.28 – Compensation**

No Director shall receive any compensation for any service he may render to the Corporation. He and/or the Developer may, however, be reimbursed for this actual expenses incurred in the performance of his or Developer’s duties.

**ARTICLE 4**

**OFFICERS**

**Section 4.01 – Officers and Agents**

The officers of the Corporation shall consist of a President, Vice Presidents, a Secretary, a Treasurer for each Board of Directors, and such other officers as that particular Board of Directors may, by resolution, designate from time to time. Any two or more offices may be held by the same person. Each Board of Directors may, by resolution, create, appoint and define the duties and fix compensation of such officers and/or agents as, in its discretion, is deemed necessary, convenient or expedient for carrying out the purposes for which the Corporation is formed; but such officers and agents shall be compensated only for actual services performed on behalf of the Corporation.

**Section 4.02 – Election, Term of Office and Qualifications**

The officers of each Board of Directors shall be chosen annually by that particular Board of Directors. Each officer shall hold office (unless he resigns, is removed or dies) until the next annual meeting of that particular Board of Directors or until his successor is chosen and qualified.

**Section 4.03 – Vacancies**

In the event an office of the Corporation becomes vacant by death, resignation, retirement, disqualification or any other cause, each Board of Directors shall elect a person to fill such vacancy, and the person so elected shall hold office and serve (unless he resigns, is removed, or dies) until the next annual meeting of that particular Board of Directors or until the election and qualification of his successor.

**Section 4.04 – President**

The President of each Board of Directors, who shall be chosen from among the membership of that particular Board of Directors, shall preside at all meetings of that particular Board of Directors, if present; shall appoint the chairman and members of all standing and temporary committees, subject to the review of that particular Board of Directors; shall be executive officer of the Corporation; shall have and exercise general charge and supervision of the affairs of the Corporation; and shall do and perform such other duties as these By-Laws provide or as may be assigned to him by that particular Board of Directors.

**Section 4.05 – Vice President**

Any Vice President may perform all duties incumbent upon the President during the absence or disability of the President and shall perform other duties as these By-Laws may require or as may be assigned to him by that particular Board of Directors.

**Section 4.06 – Secretary**

The Secretary of each Board of Directors shall have the custody and care of the corporate records and the minute book of the Corporation. He shall attend all of the meetings of that particular Board of Directors and the Members, and shall keep, or cause to be kept, a true and complete record of the proceedings of such meetings, and shall perform a like duty for all standing committees of that particular Board of Directors when required. He shall attend to the giving and serving of all notices of the Corporation, shall file and take care of all papers and documents belonging to the Corporation, shall authenticate records of the Corporation, as necessary, and shall perform such other duties as may be required by there By-Laws or as may be prescribed by that particular Board of Directors.

**Section 4.07 – Treasurer**

The Treasurer of each Board of Directors shall keep correct and complete records of account, showing accurately at all times the financial condition of the Corporation. He shall be the legal custodian of all monies, notes, securities and other valuables which may from time to time come into the possession of the Corporation. He shall immediately deposit all funds of the Corporation coming into his hands in some reliable bank or other depository to be designated by that particular Board of Directors, and shall keep such bank account in the name of the Corporation. He shall furnish at meetings of that particular Board of Directors, or whenever requested, a statement of the financial condition of the Corporation and shall perform such other duties as may be required by these By-Laws or as may be prescribed by that particular Board of Directors.

**Section 4.08 – Assistant Officers**

Each Board of Directors may from time to time designate assistant officers who shall exercise and perform such powers and duties as the officers who they are elected to assist shall specify and delegate to them, and such other powers and duties as may be prescribed by the Code of By-Laws, that particular Board of Directors or its President.

**Section 4.09 – Removal**

Any officer of the Corporation may be removed from office, with or without cause, by the affirmative vote of two-thirds (2/3) of that particular Board of Directors at any regular or special meeting of that particular Board of Directors called for the purpose. Any officer whose removal is proposed shall be entitled to at least ten (10) days' notice in writing by mail of the meeting of that particular Board of Directors at which such removal is to be voted upon and shall be entitled to appear before and be heard by that particular Board of Directors at such meeting.

**Section 4.10 – Resignation**

Any officer or member of a committee may resign at any time. Such resignation shall be made in writing and shall take effect at the time specified therein, and, if no time be specified, at the time of its receipt by the President or Secretary of the appropriate Board of Directors of the Corporation. The acceptance of a resignation shall not be necessary to make it effective.

**ARTICLE 5**

## COMMITTEES

### Section 5.01 – Composition

Each Board of Directors, through majority vote, may establish standing committees and temporary project committees. All committees shall be comprised of at least one member of that particular Board and an additional number of Directors and Members to be determined by that Board upon establishment of the committee but in no instance will be less than three (3) total members. That particular Board of Directors may nominate members to a committee and nominees will be elected to the committee by a majority vote of that Board.

### Section 5.02 – Term

Standing committees shall have member terms of one (1) year and will be eligible for re-election; terms of temporary project committees shall be determined by that particular Board of Directors at the time the committee is established.

### Section 5.03 – Removal; Vacancies

The Major Board of Directors may remove a member of a committee at any time, with or without reason, by a vote of two-thirds (2/3) of the Directors then serving. Subsequent to the Applicable Date, in the event of a vacancy on a committee, the Major Board of Directors shall, by a vote of a majority of the Directors then serving, elect a successor to serve the unexpired term.

### Section 5.04 – Quorum

A quorum for action by a committee shall be a majority of its members, but in no event less than two (2) members, one of which must be a Director.

### Section 5.05 – Duties

The duties, composition, term of members, budget, procedures, and authority of each committee shall be established/outlined by that particular Board of Directors at the time the committee is established. Any action by a committee that imposes a restriction (e.g. architectural improvements) on any Owner may be appealed to that full Board of Directors for a final decision.

Each committee may elect its own officers at its discretion, but each committee must have a designated secretary to document meetings and actions of the committee for reporting to the Secretary of that particular Board of Directors.

### Section 5.06 –Governing Rules Committee

Article 5 does not apply to any Governing Rules Committee (see Article 10 of these By-Laws).

## ARTICLE 6

### ASSESSMENTS

#### Section 6.01 – Annual Assessment

##### (a) Purpose of Assessment

The Annual Assessment levied by the Corporation shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners of Lots and for the improvement, maintenance, repair, replacement and operation of the Common Areas and the Recreation Center.

##### (b) Basis for Annual Assessment

##### (1) Lots Generally

Except as provided below, each Lot owned by a Person other than Developer shall be assessed at a uniform rate according to the class of membership of the Owner of the Lot without regard to whether improvements have been constructed upon the Lot.

**(2) Lots Owned by Developer**

No Lot owned by New Crystal Springs, LLC, or the owners of New Crystal Springs, LLC, shall be assessed any association fee by the Corporation unless and until any residence constructed on said lot is inhabited.

**(3) Change in Basis**

Prior to the Applicable Date, the basis for the Annual Assessment of Class "A" and Class "B" Members shall be determined exclusively by the appropriate Board of Directors. After the Applicable Date, (i) the basis of the Annual Assessment of the Class "A" Members may be changed upon recommendation of the Major Board of Directors, if such change is approved by two-thirds (2/3) of the Members eligible to vote, and such change in basis is approved at the annual meeting of Members, or a specially noticed meeting of Members, and (ii) the basis for the Annual Assessment of the Class "B" Members may be changed upon recommendation of the Minor Board of Directors, if such change is approved by two-thirds (2/3) of the Members eligible to vote, and such change in basis is approved at the annual meeting of Members, or a specially noticed meeting of Members.

**(c) Method of Assessment**

Except as provided by the Restrictions, by a vote of a majority of the Directors, the Major Board of Directors shall fix the Annual Assessment for Class "A" Members and the Minor Board of Directors shall fix the Annual Assessment for Class "B" Members, for each assessment year of the Corporation at an amount sufficient to meet the obligations imposed by the Restrictions, the Articles, or these By-Laws upon the Corporation. The Restrictions establish the date the Annual Assessment shall become due, and the manner in which it shall be paid.

**(d) Allocation of Assessment**

The cost of maintaining, operating, restoring or replacing the Common Areas and the Recreational Center has been allocated, in these By-Laws and the Restrictions, among Owners of Lots on the basis of the number of Lots within the Crystal Springs Subdivision and the type of Membership of each Owner of a Lot within the Crystal Springs Subdivision.

**Section 6.02 – Special Assessments**

In addition to such other Special Assessments as may be authorized herein, the Corporation may levy in any fiscal year a Special Assessment applicable to that year and not more than the next four (4) succeeding fiscal years for the purpose of defraying, in whole or in part, the cost of any construction, repair, or replacement of a capital improvement upon Common Areas or the Recreation Center, including fixtures and personal property relating thereto, provided that any such Assessment shall have the consent two-thirds (2/3) of the votes of the Members whose Lots are subject to assessment with respect to the capital improvement who are voting in person or by proxy at a meeting of the Members duly called for this purpose. Notwithstanding anything to the contrary contained in the Articles, these By-Laws or the Restrictions, Only Class B members shall be obligated for any special assessments solely attributable solely to the Recreation Center.

**Section 6.03 – Effect of Nonpayment of Assessments; Remedies of the Corporation**

In the event any Member fails to pay any Assessment within thirty (30) days after the due date, the Corporation may take all actions to collect said Assessments as may be authorized by the Restrictions. Nonpayment of the Assessment within thirty (30) days after the due date also subjects the Member to suspension of voting rights as described in **Section 4.04** in the Articles.

**Section 6.04 – Certifications**

The Corporation shall, upon demand by any Member, at any time, furnish a certificate in writing signed by an officer of the Corporation that the Assessments on a Lot have been paid or that certain Assessments remain unpaid, as the case may be.

**Section 6.05 – Annual Budget**

By a majority vote of the Directors, each Board of Directors shall adopt an annual budget for the subsequent fiscal year, which shall provide for allocation of expenses in such a manner that the obligations imposed by the Restrictions and these By-Laws will be met.

**ARTICLE 7**

**LOANS TO OFFICERS AND DIRECTORS**

The Corporation shall not lend money to or guarantee the obligations of any officer or Director of the Corporation.

**ARTICLE 8**

**CORPORATE BOOKS**

The Corporation shall maintain all records required by the Act and shall permit the Members to inspect and copy such records to the extent and on the conditions specified in the Act.

**ARTICLE 9**

**FINANCIAL AFFAIRS**

**Section 9.01 – Contracts**

Either Board of Directors may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to a specific instance; and unless so authorized by that particular Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement, or to pledge its credit or render it liable pecuniarily for any purposes or to any amount.

**Section 9.02 – Check, Etc.**

All checks, drafts, notes, bonds, bills of exchange, and orders for the payment of money and other evidence of indebtedness, shall, unless otherwise directed by either Board of Directors or required by law, be signed by any two of the following officers, who are different persons: President, a Vice President, Secretary or Treasurer of that particular Board of Directors. Either Board of Directors may, however, designate officers or employees of the Corporation, other than those named above, who may, in the name of the Corporation, execute drafts, checks and orders for the payment of money on its behalf.

**Section 9.03 – Investments**

The Corporation shall have the right to retain all or any part of any securities or property acquired by it in whatever manner, and to invest and reinvest any funds held by it, according to the judgment of the Major Board of Directors.

**Section 9.04 – Reserve for Replacements**

Each Board of Directors shall establish and maintain a reserve fund for replacements by the allocation and payment to such reserve fund of an amount determined annually by that particular Board of Directors to be sufficient to meet the cost of periodic maintenance, repairs, renewal and replacement of the Property. In determining the amount, each Board of Directors shall take into consideration the expected useful life of the asset, projected increases in the cost of materials and labor, interest to be earned by such fund and the advice of the Developer, managing agent or any consultants that particular Board of Directors may employ. Such fund shall be deposited in a special account with a lending institution the accounts of which are insured by an agency of the

United States of America or may, in the discretion of that particular Board of Directors, be invested in obligations of, or fully guaranteed as to principal by, the United States of America.

**Section 9.05 – Fiscal Year**

The fiscal year of the Corporation shall commence on January 1 in each year.

**Section 9.06 – Assessment Year**

The assessment year of the Corporation shall commence on January 1 in each year.

**Section 9.07 – Auditing**

If requested and paid for by any Member or the holder of a first mortgage on any Lot, the books and accounts of the Corporation shall at the close of each fiscal year be audited by an independent Certified Public Accountant who is not a Member and whose report shall be prepared and certified in accordance with generally accepted auditing standards. A copy of such report shall be distributed to each Member or mortgagee who requests a copy thereof.

**ARTICLE 10**


**AMENDMENTS**


Subject to the provisions of Section 7.02 and Section 7.03 of the Articles, the power to make, alter, amend, or repeal the By-Laws is vested in the Major Board of Directors, which power shall be exercised by the affirmative vote of a two-thirds (2/3) majority of either the Major Board Directors or the Minor Board of Directors present at any meeting of that particular Board of Directors. Any proposed amendment shall be included in the notice of such meeting. If notice of a proposed amendment to the By-Laws is included in the notice of any meeting of that particular the Board of Directors, it shall be in order to consider and adopt at that meeting any amendment to the By-Laws dealing with the subject matter with which the proposed amendment is concerned.

Approved and accepted as of the 1<sup>st</sup> day of March, 2018.

**MAJOR BOARD OF DIRECTORS**

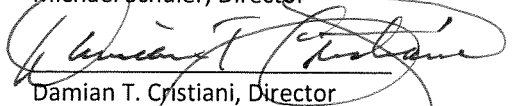
By:   
Michael Schuler, Director


By:   
Damian T. Cristiani, Director

By:   
David Schuler, Director

**MINOR BOARD OF DIRECTORS**

By:   
Michael Schuler, Director

By:   
Damian T. Cristiani, Director

By:   
David Schuler, Director